

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of S2 Minerals Inc. (the "Company" or "S2") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements for the year ended May 31, 2023, and May 31, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Information contained herein is presented as of September 26, 2023, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors of the Company (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedarplus.ca.

Qualified Person

Daniel Noone, (Member of the Australian Institute of Geoscientists) is a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects "NI 43-101" and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Noone is also the Chief Executive Officer of the Company.

Description of Business

S2 was incorporated on November 30, 2020, under the laws of the Province of Ontario. The Company's head office is located at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, Canada, M5H 3L5. The Company was incorporated for the sole purpose of participating in the plan of arrangement (the "Spin-Out") announced February 2, 2021, involving the Company and G2 Goldfields Inc. ("G2").

The Spin-Out received shareholder approval on March 29, 2021, and Ontario court approval on March 31, 2021. The Spin-Out was completed on April 9, 2021.

Operational Highlights

On December 16, 2022, the Company announced that it had become party to an option agreement (the "Option Agreement") with an arm's-length third party pursuant to which the Company was granted an option to acquire nine mining claims in the Veekay and Rich Lake areas of Ontario. The Option Agreement was originally made between a director of the Company and the third party on December 17, 2021, and was assigned to the Company on December 16, 2022. The Option Agreement requires the Company to make cash payments on each of the first, second, third and fourth anniversaries of the entering into of the Option Agreement, with the first payment being made on December 16, 2022.

S2 Minerals Inc.
Management's Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

On April 17, 2023, the Company announced that it had acquired 880 mining claims in the Veekay Lake, Gifford Lake, Opikeigan Lake, Frond Lake, Rich Lake and Reserve Lake areas in Ontario (the "Assignment Properties"). The Assignment Properties were acquired from a director of the Company pursuant to an assignment agreement dated as of April 14, 2023. The director had acquired the Assignment Properties from an arm's length third party for a cash payment of \$300,000 and a 2% net smelter returns royalty and agreed that if the property was assigned to a public company before March 2024, such public company would issue \$50,000 worth of common shares in the capital of the Company (the "Shares"). The Company can purchase 1% of the Royalty for \$1,000,000. The Company assumed the obligations under the Royalty and issued 526,315 Shares valued at a price of \$0.15 per Share to Windfall Geotek Inc., arm's length third party.

Trends

Gold prices

During property acquisition, exploration, and financial planning, management monitors gold demand and supply balances as well as price trends. In addition to monitoring gold prices, management also monitors financing activities in the Junior Mining Sector as this represents the sector in which S2 operates. The following table highlights the comparative gold prices which S2 monitors.

Summary of Gold Prices					
Current Prices with Comparative ⁽¹⁾					
Commodities	May 31, 2023 (USD)	May 31, 2022 (USD)	May 31, 2021 (USD)	May 31, 2020 (USD)	May 31, 2019 (USD)
Gold (\$/oz)	1,964.70	1,836.40	1,911.00	1,738.50	1,304.90

⁽¹⁾ *Price was obtained from the website - <https://www.kitco.com>*

Apart from these factors and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition, or results of operations.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its mineral property interests. The Company is conducting its operations in a manner that is consistent with governing environmental legislation.

Overall Objective

The Company is a junior mineral exploration company with an experienced management team engaged in the acquisition and advancement of mineral exploration projects, primarily located in Ontario, Canada. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain any economically recoverable mineral reserves. The success of the Company is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of its properties, the selling prices of minerals at the time, if ever, that the Company commences production from its properties, government policies and regulations and future profitable production, or proceeds from the disposition of such properties.

The Company has not discovered economically recoverable mineral reserves. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company may also seek to acquire additional mineral resource properties or companies holding such properties. The Company notes that mineral exploration in general is uncertain and the probability of finding economically recoverable mineral reserves on any one of its early-stage prospects is low. However, the probability that one of the many prospects acquired will host economically recoverable mineral reserves is higher. As a result, the Company believes it can reduce overall exploration risk by acquiring additional mineral properties. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, their location, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish economically recoverable mineral reserves, the fact that expenditures made by the Company may not result in discoveries of economically recoverable mineral reserves, environmental risks, risks associated with land title, the competition faced by the Company and the potential failure of the Company to generate adequate funding for any such acquisitions. See "Risk Factors" below.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company routinely evaluates various business development opportunities that could entail farm-ins, farm-outs, acquisitions, trades and / or divestitures. In this regard, the Company is currently in discussions related to these and similar activities with various parties. There can be no assurance that any such transactions will be concluded in the future.

Management of Capital

The Company considers its capital to consist of its shareholders' equity balance which as of May 31, 2023, totaled \$1,048,829 (May 31, 2022 - \$1,610,497).

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities. The Company manages its capital structure in a manner that provides sufficient operational activities. Funds are primarily secured through equity capital raised by way of private placement. There can be no assurance that the Company will be able to continue raising equity capital in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments such as cash and other short-term guaranteed deposits, and all are held in major financial institutions.

Management believes its capital management approach is reasonable given its stage of operations and the size of the Company.

Mineral Exploration Properties

The Company has not yet determined whether the Company’s properties contain an economic mineral reserve. There are no known reserves of minerals on any of the Company’s mineral exploration properties and any activities of the Company thereon will constitute exploratory searches for minerals. See “Risk Factors” below.

The Company’s estimated exploration budget on its properties is outlined below:

Business Objective	Use of Available Funds	Estimated Cost	Anticipated Timing
Gain consent from First Nations communities to mineral claims	Sandy Lake Project – (Access Agreements and Community relations with First Nations)	\$118,000	Fiscal 2024
Gain consent from First Nations communities to mineral claims	Fort Hope Project- Consultation	\$50,000	Fiscal 2024
n/a	South Block Claims JV	\$nil	n/a
n/a	Weebigee Joint Venture	\$nil	n/a
	Total	\$168,000	

Sandy Lake property (the “Sandy Lake Project”)

The Sandy Lake Project is a group of mineral claims located approximately 225 kilometres (km) north of Red Lake, northwestern Ontario.

The Sandy Lake Project consists of 3,225 cell mining claims. The details for the current project landholdings are provided in Table 1.1 and Table 1.2. All claims within the Sandy Lake Project are contiguous.

Table 1.1
Claim Summary by Type

Tenure Type	Number	Area	Total Area (ha)
Single cell mining claim	2,927	19.46 ha/claim	56,994.3
Multi-cell mining claim	12	depends on the number of cells	5,052.9
Boundary cell mining claim	286	percentage of the cell	5,556.8
Total	3,225		67,604

Source: Mining Land Administration System (26th January 2021).

Table 1.2
Sandy Lake Property - Expiry Date, Work Requirements and Exploration Reserve of the Claims

Expiry Date	Number	Type	Work Required	Work Performed	Exploration Reserve
<i>Active</i>					
06 Jan 2023	533	Single cell claims	213,200	0	0
21 Feb 2021	55	Single cell claims	22,000	0	0
21 Feb 2021	12	Multi-cell claim	104,000	0	0
31 Mar 2021	1	Single cell claim	400	3,200	0
31 Mar 2021	6	Boundary cell claims	2,400	6,800	624
14 Jun 2021	184	Single cell claim	73,600	258,200	3,032,380
14 Jun 2021	121	Boundary cell claims	48,800	61,400	4,628
15 Jun 2021	7	Single cell claim	2,800	10,400	21,521
29 Aug 2021	47	Single cell claim	18,800	36,800	0
29 Aug 2021	16	Boundary cell claims	6,400	5,000	0
22 Sep 2021	3	Single cell claim	1,200	2,400	3,439
22 Sep 2021	3	Boundary cell claims	1,200	1,600	2,160
<i>Hold Special Circumstances Apply</i>					
04 June 2019	131	Boundary cell claims	52,000	0	23,710
04 June 2019	1,255	Single cell claim	502,400	0	234,934
15 Dec 2019	760	Single cell claims	304,000	0	0
10 Apr 2020	30	Single cell claims	12,000	0	0
22 Sep 2020	11	Single cell claims	4,400	2,600	0
22 Sep 2020	9	Boundary claims	3,600	2,400	0
<i>Total</i>					
			1,373,200	390,800	3,323,396

Source: Mining Land Administration System, downloaded on 26th January, 2021.

G2 agreed to transfer all Sandy Lake Project claims to S2 in connection with the Spin-Out. On January 6, 2021, G2 staked online an additional 533 claims. All active claims were transferred to S2 on January 21, 2021, on MLAS claim management system for Ontario. However, all claims on "Special Circumstances" cannot be accessed at MLAS registry system for claim transfer due to the current province wide "Special Circumstances Hold" on all claims due for assessment. This includes those claims with an expiry date in 2019, which were originally the subject of an Exclusion of Time application while G2 continued consultation discussions with the relevant First Nations. When the provincial COVID-19 restrictions and quarantine were imposed, these were automatically converted to "Special Circumstances" and when COVID-19 restrictions are lifted, the consultation travel and discussions will resume. Accordingly, G2 transferred its beneficial interest in such claims to S2 in connection with the Spin-Out and will transfer its nominee interest in due course.

Fort Hope Project

The Fort Hope Project mineral claims are located approximately 560 kilometers (km) north of Thunder Bay, northwestern Ontario.

Tenure Type	Number	Area	Total Area (Ha)
Single Cell Mining Claim	1,697	Approximately 20 Ha/claim	33,572
Multicell Mining Claim	11	Depends on the number of cells	2,852
Boundary Cell Mining Claim	N/A		
Total	1,708		36,424

S2's mining claims in the Fort Hope Project consist of 1,697 single cell mining claims and 11 multi cell mining claims by way of an option agreement between S2 and Slam Exploration Ltd.

The Company made the first anniversary payment to the optionor pursuant to the Option Agreement on December 16, 2022. This payment included the issuance of 50,000 Shares (which were subject to a four-month hold period). See *Operational Highlights* above for further details.

On April 17, 2023, S2 announced that it had acquired the Assignment Properties from an insider of the Company pursuant to an assignment agreement dated as of April 14, 2023. See *Operational Highlights* above for further details.

S2 and Goldeye Joint Venture Agreement

There is a joint venture agreement between S2 and Goldeye Explorations Limited ("Goldeye") where S2 has a 50.1% legal and beneficial interest in the Sandy Lake Project (the "Weebigee Joint Venture"). In addition, S2 and Goldeye have a joint venture, named the "South Block Claims JV" where S2 and Goldeye both have a 50% participating interest.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by S2 in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with S2's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of and annual filings and other reports provided under securities legislation.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company as of May 31, 2023, May 31, 2022, and May 31, 2021, and for the years ended May 31, 2023, and May 31, 2022, and for the period from November 30, 2020 (date of incorporation) to May 31, 2021:

	Year Ended May 31, 2023 \$	Year Ended May 31, 2022 \$	November 30, 2020 (Date of incorporation) to May 31, 2021 \$
Income (Loss)			
Total revenues	nil	nil	nil
Total loss	(650,021) ⁽¹⁾	(751,256) ⁽²⁾	(1,579,258) ⁽³⁾
Net loss per share – basic	(0.02)	(0.03)	(0.35)
Net loss per share – diluted	(0.02)	(0.03)	(0.35)
Assets / Liabilities	As at May 31, 2023 \$	As at May 31, 2022 \$	As at May 31, 2021 \$
Total assets	1,230,457	1,837,786	1,215,720
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

- (1) The net loss for the year ended May 31, 2023, consisted primarily of (i) exploration and evaluation of \$280,141; (ii) professional fees of \$216,631; (iii) salaries and related costs of \$59,564; (iv) reporting issuer costs \$39,156; and (v) office and administrative of \$37,801.
- (2) The net loss for the year ended May 31, 2022, consisted primarily of (i) exploration and evaluation of \$474,719; (ii) professional fees of \$154,757; (iii) salaries and related costs of \$47,111; (iv) reporting issuer costs \$39,971; and (v) office and administrative of \$16,062.
- (3) The net loss for the period from November 30, 2020 (date of incorporation) to May 31, 2021, consisted primarily of (i) exploration and evaluation of \$1,301,367; (ii) professional fees of \$268,640; (iii) reporting issuer costs \$8,250; and (iv) office and administrative of \$1,001.

Discussion of Operations

Year ended May 31, 2023, compared with the year ended May 31, 2022

The Company's net loss totaled \$650,021 for the year ended May 31, 2023, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$751,256 with basic and diluted loss per share of \$0.03 for the year ended May 31, 2022. The decrease in net loss from the prior year of \$101,235 was principally because:

- Professional fees were \$216,631 for the year ended May 31, 2023 (year ended May 31, 2022 - \$154,757). These fees relate to outsourced legal and accounting services required

S2 Minerals Inc.
Management's Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

to meet the Company's corporate activities which were higher in 2023 due to increased activities.

- Reporting issuer costs were \$39,156 for the year ended May 31, 2023 (year ended May 31, 2022 - \$39,971). These fees relate to ongoing regulatory requirements.
- Office and administrative costs were \$37,801 for the year ended May 31, 2023 (year ended May 31, 2022 - \$16,062). This primarily relates to increased corporate activities for the Company.
- Stock-based compensation expense was \$4,656 for the year ended May 31, 2023 (year ended May 31, 2022 - \$12,314). This relates to the vested portion of the 300,000 options granted to a director of the Company in fiscal 2022.
- Exploration and evaluation expenditures were \$280,141 (year ended May 31, 2022 - \$474,719), of which \$278,236 was for the Fort Hope Project (year ended May 31, 2022 - \$441,944). S2 continues to pursue its mineral potential modelling of several regions in Ontario, Canada, with the objective of generating new projects. Weebigee joint venture project costs amounted to \$1,680 (year ended May 31, 2022 - \$18,426) and the Sandy Lake Project amounted to \$225 (year ended May 31, 2022 - \$14,349).

Three months ended May 31, 2023, compared with the three months ended May 31, 2022

The Company's net loss totaled \$160,044 for the three months ended May 31, 2023, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$432,283 with basic and diluted loss per share of \$0.01 for the three months ended May 31, 2022. The decrease in net loss from the prior year of \$272,239 was principally because:

- Professional fees were \$50,858 for the three months ended May 31, 2023 (three months ended May 31, 2022 - \$48,449). These fees relate to outsourced legal and accounting services required to meet the Company's corporate activities.
- Reporting issuer costs were \$4,264 for the three months ended May 31, 2023 (three months ended May 31, 2022 - \$3,924). These fees relate to ongoing regulatory requirements.
- Office and administrative costs were \$6,972 for the three months ended May 31, 2023 (three months ended May 31, 2022 - (\$4,589)). This primarily relates to increased corporate activities for the Company.
- Stock-based compensation expense was \$408 for the three months ended May 31, 2023 (three months ended May 31, 2022 - \$3,917). This relates to the vested portion of the 300,000 options granted to a director of the Company in fiscal 2022.
- Exploration and evaluation expenditures were \$81,015 (three months ended May 31, 2022 - \$364,836), of which \$81,015 was for the Fort Hope Project (three months ended May 31, 2022 - \$341,116). S2 continues to pursue its mineral potential modelling of several regions in Ontario, Canada, with the objective of generating new projects. Weebigee joint venture project costs amounted to \$nil (three months ended May 31, 2022 - \$26,646) and the Sandy Lake Project amounted to \$nil (three months ended May 31, 2022 - (\$2,926)).

Cash Flow Items

Operating Activities

Activity for the year ended May 31, 2023, was cash expended in operations of \$589,601 (year ended May 31, 2022 - \$782,862). These expenditures relate largely to the on-going corporate operating costs of the Company and its overheads and a pay down of accounts payable.

Investing Activities

Investing activities during the year ended May 31, 2023, relate to the purchase of short-term investments in the amount of \$nil (year ended May 31, 2022 - \$10,000) and equipment in the amount of \$225,000 (year ended May 31, 2022 - \$nil).

Financing Activities

No financing activities were conducted in the year ended May 31, 2023.

Summary of Quarterly Information

Three Months Ended	Total Revenue \$	Profit or Loss	
		Total \$	Basic and Diluted Loss Per Share \$ ⁽¹⁾
May 31, 2023	Nil	(160,044)	(0.01)
February 28, 2023	Nil	(237,561)	(0.01)
November 30, 2022	Nil	(140,398)	(0.00)
August 31, 2022	Nil	(112,018)	(0.00)
May 31, 2022	Nil	(432,283)	(0.01)
February 28, 2022	Nil	(193,863)	(0.01)
November 30, 2021	Nil	(78,989)	(0.00)
August 31, 2021	nil	(46,121)	(0.00)

⁽¹⁾ Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Liquidity and Capital Resources

The Company derives no income from operations. The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet its liabilities when due. As of May 31, 2023, the Company had a cash balance of \$999,880. It is anticipated that the available funds will be sufficient to satisfy S2's objectives for the forthcoming 12-month period.

On February 2, 2021, G2 entered into an arrangement agreement with S2 pursuant to which G2 agreed to transfer its interest in all the mineral claims comprising the Sandy Lake Project and G2's 50.1% interest in the approximately 15,000 acres of the "Weebigee Joint Venture" claims with Goldeye, now part of Treasury Metals Inc. ("Treasury Metals"), in exchange for 12,655,667 common shares of S2. The outstanding common shares of S2 consists of the common shares issued to G2 as described in the preceding sentence, as of the effective date of the Spin-Out. G2 distributed one common share of S2 for every ten G2 common shares then held by G2 shareholders as of the effective date of the Spin-Out.

The Company was dependent on the successful completion of the offering of rights to acquire common shares of S2 (the "Rights Offering") that was contemplated in the Spin-Out. The Rights Offering was fully subscribed to, and the Company received proceeds of \$1,265,567 in May 2021.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for S2 to achieve its objectives. S2 may also require additional funds to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by S2 will be available, if required. The amounts shown in the table below are estimates of working capital requirements only and are based on the information available to S2 as of the date hereof.

Forecast 12 Month Budget

Funds Available to S2	\$999,880
Sandy Lake Project – (Access Agreements and Community relations with First Nations)	(\$118,000)
Fort Hope Project - Consultation	(\$50,000)
Travel	(\$42,000)
Office	(\$42,000)
Salary	(\$50,000)
Legal and Audit	(\$75,000)
Excess Funds Available to S2 for General Working Capital	\$622,880

See "Risk Factors" below, "Trends" above, and "Cautionary Note Regarding Forward-Looking Statements" below.

Additional measures have been undertaken or are under consideration to further reduce corporate costs.

Outlook

The resource sector is currently experiencing a broad-based downturn as a result of the significant risk of a global recession brought about by record inflation and rapidly rising interest rates. In this environment, investment in the junior resource sector is greatly impaired. The value of gold and other metals is also volatile and could decline further. The Company is mindful of the current market environment and is managing accordingly. See "Risk Factors".

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board and corporate officers, excluding the Chief Financial Officer ("CFO"). The compensation cost for key management personal is as follows:

	Year Ended May 31, 2023 \$	Year Ended May 31, 2022 \$
Salary and fees		
Harvey L.A. Yesno, Director	60,000	nil
Alex Carpenter, Director	56,080	30,080
Total	116,080	30,080

	Year Ended May 31, 2022 \$	Year Ended May 31, 2022 \$
Stock-based compensation		
Alex Carpenter, Director	4,656	12,314
Total	4,656	12,314

Related Party Transactions

As of May 31, 2023, the amount of \$nil (May 31, 2022 - \$142,527) is owed to G2, a company with common directors and management with S2, which is unsecured, non-interest bearing, and due on demand. The amount was fully settled during fiscal 2023. In addition, during the year ended May 31, 2023, the Company paid rent of \$15,000 (May 31, 2022 - \$nil) to G2.

During the year ended May 31, 2023, the Company paid professional fees and disbursements totaling \$34,753 (May 31, 2022 - \$34,146) to Marrelli Support Services Inc., and certain of its affiliates, together known as the "Marrelli Group", for: (i) Carmelo Marrelli, beneficial owner of the Marrelli Group, to act as the CFO of the Company, and (ii) regulatory filing services. The Marrelli Group was owed \$nil (May 31, 2022 - \$254) and these amounts were included in accounts payable and accrued liabilities.

Major shareholder

To the knowledge of the directors and senior officers of the Company, as of May 31, 2023, no person or corporation beneficially owns or exercises control or direction over Shares carrying more than 10% of the voting rights attached to all Shares other than Patrick Sheridan, who owns 15,697,421 Shares (May 31, 2022 – 15,697,421 Shares) or 41% (May 31, 2022 – 42%) of the outstanding Shares.

Accounting Policies Issued but not Applied

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after May 31, 2023. Management is still evaluating and does not expect any such pronouncements to have a significant impact on the Company's consolidated financial statements upon adoption.

Recent accounting pronouncements include Amendments to IAS 12, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction, narrowing the scope for exemption when recognizing deferred taxes (January 1, 2023). We do not expect IAS 12 amendments effective January 1, 2023, will have an effect on our financial statements.

Change in accounting policy

The Company adopted Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) on June 1, 2022. These amendments clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments prohibit entities from deducting amounts received from selling items produced from the cost of property, plant and equipment while the Company is preparing the asset for its intended use. Instead, sales proceeds and the cost of producing these items will be recognized in the statement of operations. The amendments did not have any impact on the Company's financial statements upon adoption.

Financial Risk Factors

The Company manages its exposure to a number of different financial risks arising from operations as well as from the use of financial instruments, including market risks (foreign currency exchange rate and interest rate), credit risk and liquidity risk, through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility. Financial risks are primarily managed and monitored through operating and financing activities. The Company does not use derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in key economic indicators and to up-to-date market information. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) **Credit Risk**

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash and short-term investments. The Company reduces its credit risk by maintaining its cash and short-term investments with reputable financial institutions.

(b) **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. The Company's investment policy is to invest its excess cash in high grade investment securities with varying terms to maturity, selected with regard to the expected timing of expenditures for continuing operations. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

As at May 31, 2023, the Company had current liabilities of \$181,628 and has cash of \$999,880 to meet its current obligations. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

(c) Market Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant risk to future cash flows from interest rate risk. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates are used for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results are likely to differ from these estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates.

The accounting policy estimates, and judgments described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

- Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs after the issuance of the financial statements.
- Management is required to estimate the inputs used in the Black-Scholes model to value stock options and warrants issued during the year.
- Estimate of useful lives - for depreciable fixed assets, management makes estimates to determine depreciation. Should the actual useful life vary from the initial estimation, future depreciation charges may change. Should the componentization of these like assets change, depreciation charges may vary materially.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides

S2 Minerals Inc.
Management's Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
<ul style="list-style-type: none"> Potential of the Company's properties to contain economic deposits of any mineral discovered. 	<ul style="list-style-type: none"> Financing will be available for future exploration and development of the Company's properties. The actual results of the Company's exploration and development activities will be favorable. Operating, exploration and development costs will not exceed the Company's expectations. The Company will be able to retain and attract skilled staff. All requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favorable to the Company. The price of applicable minerals and applicable interest and exchange rates will be favorable to the Company. No title disputes exist with respect to the Company's properties. 	<ul style="list-style-type: none"> Price volatility of any mineral discovered. Uncertainties involved in interpreting geological data and confirming title to, and interests in, properties. The possibility that future exploration results will not be consistent with the Company's expectations. Availability of financing for and actual results of the Company's exploration and development activities. Increases in costs. Environmental compliance and changes in environmental and other local legislation and regulation. Interest rate and exchange rate fluctuations. Changes in economic and political conditions. The Company's ability to retain and attract skilled staff. The availability of permits.
<ul style="list-style-type: none"> The Company believes it has sufficient cash resources to meet its requirements for near term. 	<ul style="list-style-type: none"> The operating activities of the Company for the next twelve months and beyond, starting from June 1, 2023, and the costs associated in addition to that, will be consistent with the Company's current expectations. Debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to the Company. 	<ul style="list-style-type: none"> Changes in debt and equity markets. Timing and availability of external financing on acceptable terms. Changes in the currently planned operations. Increases in costs. Environmental compliance and changes in environmental and other local legislation and regulation. Interest rate and exchange rate fluctuations. Changes in economic conditions.
<ul style="list-style-type: none"> The Company believes the properties warrant ongoing exploration and will require additional funding to maintain the current or increased levels of exploration. Accordingly, the 	<ul style="list-style-type: none"> Exploration activities will continue to comply with all government regulations. Financing will be available as needed. 	<ul style="list-style-type: none"> Increased government scrutiny and regulations. The Company's ability to satisfy worker safety. Availability of future financing.

S2 Minerals Inc.
Management's Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

<p>Company expects to incur further losses in the development of its business.</p>		
<ul style="list-style-type: none"> • The Company's ability to carry out anticipated exploration and maintenance on its property interests in Canada and Ontario. • The Company's anticipated use of cash available to it in any period. 	<ul style="list-style-type: none"> • The exploration and maintenance activities of the Company's operations and costs for the next twelve months, starting from June 1, 2023, and the costs associated in addition to that, will be consistent with the Company's current expectations. • Debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to the Company. 	<ul style="list-style-type: none"> • Changes in debt and equity markets. • Timing and availability of external financing on acceptable terms. • Increases in costs; changes in the operations currently planned for fiscal 2024. • Environmental compliance and changes in environmental and other local legislation and regulation. • Interest rate and exchange rate fluctuations. • Changes in economic conditions. • Receipt of applicable permits. • Ongoing uncertainties relating to applicable First Nations matters and any delay in compliance by Treasury Metals with the option agreement concerning the Weebigee joint venture in Sandy Lake, Canada. • Ongoing uncertainties relating to applicable First Nations matters concerning the Fort Hope Project.
<ul style="list-style-type: none"> • Plans, costs, timing, and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations. 	<ul style="list-style-type: none"> • Financing will be available for the Company's exploration and development activities, and the results thereof will be favorable. • Actual operating and exploration costs will be consistent with the Company's current expectations. • The Company will be able to retain and attract skilled staff. • All applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company. • The Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favorable to the Company. • The price of any applicable mineral will be favorable to the Company. • No title disputes arise concerning the Company's properties. 	<ul style="list-style-type: none"> • Price volatility of any mineral discovered changes in debt and equity markets. • Timing and availability of external financing on acceptable terms. • The uncertainties involved in interpreting geological data and confirming title to acquired properties. • The possibility that future exploration results will not be consistent with the Company's expectations. • Increases in costs, environmental compliance and changes in environmental and other local legislation and regulation. • Interest rate and exchange rate fluctuations. • Changes in economic and political conditions. • The Company's ability to retain and attract skilled staff. • Availability of permits. • Market competition. • Uncertainties relating to COVID-19 matters affecting First Nations matters at the Sandy Lake Project.

S2 Minerals Inc.
Management’s Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

<ul style="list-style-type: none"> • Management’s outlook regarding future trends, including the future price of any mineral discovered and availability of future financing. 	<ul style="list-style-type: none"> • Financing will be available for the Company’s exploration and operating activities. • The price of applicable minerals will be favorable to the Company. 	<ul style="list-style-type: none"> • Changes in debt and equity markets. • Interest rate and exchange rate fluctuations. • Changes in economic and political conditions. • Availability of financing. • Changes in debt and equity markets and the spot price of any mineral discovered, if available.
<ul style="list-style-type: none"> • Consultations with local First Nations for the Sandy Lake and Fort Hope Projects in Canada. 	<ul style="list-style-type: none"> • The Company will engage in appropriate consultation with local First Nations and with the Government of Ontario which will result in the Company resuming work on the Sandy Lake and Fort Hope Projects. 	<ul style="list-style-type: none"> • Consultations with local First Nations may not result in the Company resuming work on the Sandy Lake and Fort Hope Projects or may result in high additional costs to resume work on the Sandy Lake and Fort Hope Projects.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company’s ability to predict or control. Please also refer to those risk factors referenced in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Risk Factors

Risks Related to the Operations of S2

Limited Operating History and No Revenue

S2 was incorporated on November 30, 2020 and has a limited operating history and no operating revenues.

Dependence on Management

S2 will be very dependent upon the personal efforts and commitment of its directors and officers, especially Patrick Sheridan, S2’s director and non-executive chairman of the Board, and Daniel Noone, S2’s Chief Executive Officer. If one or more of S2’s proposed executive officers become unavailable for any reason, a severe disruption to the business and operations of S2 could result, and S2 may not be able to replace them readily, if at all. As S2’s business activity grows, S2 will require additional key financial, administrative, and mining personnel as well as additional

operations staff. There can be no assurance that S2 will be successful in attracting, training, and retaining qualified personnel as competition for persons with these skill sets increase. If S2 is not successful in attracting, training, and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on S2's future cash flows, earnings, results of operations and financial condition.

S2's Operations are Subject to Human Error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage S2's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to S2. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort S2 might undertake and legal claims for errors or mistakes by S2 personnel.

Reliance on Professional Advisors and Service Providers

The Company relies on a number of professional advisors and service providers, including external auditors, legal counsel and its accounting and CFO service provider. These professionals are subject to their respective professional and/or regulatory requirements and they may not comply with all regulatory requirements or may fail to perform to their respective professional standards. They may not comply with their obligations to the Company or perform their services in a timely or acceptable manner. The failure of such professionals to comply with their respective regulatory requirements or professional standards could affect the Company in ways that are not predictable, including ways that could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

Financing Risks

Additional funding will be required to conduct future exploration programs on the Sandy Lake Project or any other property and to conduct other exploration programs, in addition to the funds from the Rights Offering and the Offering. If S2's proposed exploration programs are successful, additional funds will be required for the development of an economic mineral body and to place it in commercial production. The only sources of future funds presently available to S2 are the sale of equity capital, or the offering by S2 of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause S2 to reduce or terminate its proposed operations.

Conflicts of Interest

Certain directors and officers of S2 are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of S2, including possibly G2. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of S2. Directors and officers of S2 with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules, and policies.

No History of Earnings

S2 has no history of earnings or of a return on investment, and there is no assurance that the Sandy Lake Project or any other property or business that S2 may acquire or undertake will generate earnings, operate profitably, or provide a return on investment in the future. S2 has no plans to pay

dividends for some time in the future. The future dividend policy of S2 will be determined by the Board.

Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Sandy Lake Project or any other property. There is no certainty that the expenditures to be made by S2 in the exploration of the Sandy Lake Project or any other property or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by S2 will be affected by numerous factors beyond the control of S2. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in S2 not receiving an adequate return on invested capital.

Environmental Risks and Other Regulatory Requirements

The current or future operations of S2, including future exploration and development activities and commencement of production on its property or properties, will require permits or licences from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays because of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which S2 may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which S2 might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on S2 and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Nature of Mineral Exploration and Development

All of S2's operations are at the exploration stage and there is no guarantee that any such activity will result in commercial production of mineral deposits. The exploration for mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the

exploration programs planned by S2 or any future development programs will result in a profitable commercial mining operation. There is no assurance that S2's mineral exploration activities will result in any discoveries of commercial quantities of ore. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on several factors, some of which are: the attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long-term profitability of S2 will be in part directly related to the cost and success of its exploration programs and any subsequent development programs.

No Operating History

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from S2's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that S2's projects will move beyond the exploration stage and be put into production, achieve commercial production or that S2 will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that S2 will not suffer significant losses in the near future or that S2 will ever be profitable.

Commodity Prices

The price of S2's common shares and S2's financial results may be significantly adversely affected by a decline in the price of gold and other mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond S2's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, and speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems, and political and economic developments. The price of mineral commodities has fluctuated widely in recent years and future serious price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on S2.

Acquisition Strategy

As part of S2's business strategy, it will seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, S2 may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into S2. S2 cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit S2.

Dividend Policy

No dividends on common shares have been paid by S2 to date. S2 anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of

its business. S2 does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after considering many factors, including S2's operating results, financial condition and current and anticipated cash needs.

Permitting

S2's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Prior to any development of any of their properties, S2 must receive permits from appropriate governmental authorities. There can be no assurance that S2 will continue to hold all permits necessary to develop or continue its activities at any particular property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on S2, resulting in increased capital expenditures and other costs or abandonment or delays in development of properties.

Land Title

The acquisition of title to resource properties is a very detailed and time-consuming process. No assurances can be given that there are no title defects affecting the properties in which S2 has an interest. The properties may be subject to prior unregistered liens, agreements, transfers, or claims, including native land claims, and title may be affected by, among other things, undetected defects. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. The title may also be affected by undetected encumbrances or defects or governmental actions. S2 has not conducted surveys of properties in which it holds an interest and the precise area and location of claims, or the properties may be challenged. S2 may not be able to register rights and interests it acquires against title to applicable mineral properties. An inability to register such rights and interests may limit or severely restrict S2's ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by S2 invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated. Although S2 believes it has taken reasonable measures to ensure proper title to the properties in which it has an interest, there is no guarantee that such title will not be challenged or impaired.

Influence of Third-Party Stakeholders

The mineral properties in which S2 holds an interest, or the exploration equipment and road or other means of access which S2 intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups, or companies. If such third parties assert any claims, S2's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for S2.

Insurance

Exploration, development, and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences, and natural phenomena such as prolonged periods of inclement weather conditions, floods, and earthquakes. It is not always possible to obtain insurance against

all such risks and S2 may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to S2's properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. S2 expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. S2 expects to carry liability insurance with respect to its mineral exploration operations but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of S2. If S2 is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect S2's future cash flow and overall profitability.

Significant Competition for Attractive Mineral Properties

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. S2 expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than S2, S2 may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, S2's ability to consummate and to effectively integrate any future acquisitions on terms that are favourable to S2 may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, S2's ability to obtain financing on satisfactory terms, if at all.

Risks Related to the Shares

Volatility of Market Price of the Shares

The market price for Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond S2's control, including the following:

- actual or anticipated fluctuations in S2's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which S2 operates;
- addition or departure of S2's executive officers and other key personnel;
- sales or perceived sales of additional Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving S2 or S2's competitors;
- operating and share price performance of other companies that investors deem comparable to S2;

S2 Minerals Inc.
Management’s Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

- changes in commodity prices, political events, global financial markets and global economies and general market conditions;
- operating and share price performance of other companies that investors deem comparable to S2;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in S2’s industry; and
- regulatory changes in the industry.

A prolonged decline in the price of the Shares could result in a reduction in the liquidity of the Shares and a reduction in S2’s ability to raise capital. Because a significant portion of S2’s operations have been and will be financed through the sale of equity securities, a decline in the price of the Shares could be especially detrimental to S2’s liquidity and its operations. Such reductions may force S2 to reallocate funds from other planned uses and may have a significant negative effect on S2’s business plan and operations, including its ability to develop new products and continue its current operations. If the Share price declines, S2 can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If S2 is unable to raise sufficient capital in the future, S2 may not be able to have the resources to continue its normal operations.

Dilution

Issuances of additional securities including, but not limited to, Shares or warrants or some form of convertible debentures, will result in a substantial dilution of the equity interests of any of S2’s shareholders.

Share Capital

As at the date of this MD&A, the Company had 37,887,649 issued and outstanding common shares, 300,000 stock options, and 6,000,000 Warrants.

Additional Information

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca.

Additional Disclosure for Venture Issuers Without Significant Revenue

Schedule of Exploration and Evaluation Expenditures

The total exploration and evaluation expenditures of the Company for the year ended May 31, 2023, and May 31, 2022, were for the following properties:

	Year Ended May 31, 2023 \$	Year Ended May 31, 2022 \$
Sandy Lake Project		

S2 Minerals Inc.
Management's Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

	Year Ended May 31, 2023 \$	Year Ended May 31, 2022 \$
Consulting	225	5,525
Mapping	nil	824
Donation	nil	8,000
	225	14,349
Weebigee Joint Venture		
Acquisition costs	nil	nil
Claims	750	nil
Consulting	400	nil
Management fee	137	nil
Mapping	nil	17,820
Geologist	nil	15,187
Storage	1,000	nil
Recovery of costs	(607)	(14,581)
	1,680	18,426
Project Generation ⁽¹⁾		
	nil	nil
Fort Hope Project		
Acquisition costs	183,697	422,677
Consulting	10,729	19,267
Professional fees	3,548	nil
Travel	37,856	nil
Geologist	19,912	nil
Other	3,000	nil
Meals and accommodations	4,391	nil
Depreciation	15,103	nil
	278,236	441,944
Total	280,141	474,719

⁽¹⁾ S2 continues to pursue its mineral potential modelling of several regions in Ontario, Canada with the objective of generating new projects.

S2 Minerals Inc.
Management's Discussion & Analysis
Year Ended May 31, 2023
Discussion dated: September 26, 2023

The Company is party to an option agreement whereby the Company may acquire up to a 100% interest in certain claims in the Fort Hope Project by making cash payments totaling \$1,000,000 and issuing a total of 200,000 common shares in the Company before December 2025. In order for the Company to exercise the option the consideration is due as follows to Slam Exploration Ltd.:

- \$50,000 cash payment (paid) on execution
- \$100,000 cash payment (paid) plus 50,000 Shares were due and issued by December 2022 (valued at \$4,750)
- \$150,000 cash payment plus 50,000 common shares in S2 is due by December 2023
- \$200,000 cash payment plus 50,000 common shares in S2 is due by December 2024
- \$500,000 cash payment plus 50,000 common shares in S2 is due by December 2025

The Company is also party to various agreements whereby certain mineral claims are subject to a 2% NSR.